



Hon. Robert T. Matsui

Member of Congress

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DEMOCRATS CONTINUE PUSH FOR DEBATE ON PRIVATIZATION

WASHINGTON, DC—Today top House Democrats announced the next step in the drive to bring a debate on Social Security to the floor of the House. Democratic Leader Richard A. Gephardt (D-MO), Ways and Means Social Security Subcommittee Ranking Member Robert T. Matsui (D-CA) and Rep. Karen Thurman (D-FL) discussed H.Res. 425, a rule that will bring five Republican privatization plans to the floor for votes. Republican leaders can move these bills at any time. If they do not, after the rule “ripens” for seven days, Democrats will launch a discharge petition to force the bills to the floor.

The five privatization plans are: H.R. 3497 (Shaw), H.R. 3535 (Armey-DeMint), and the three Bush Privatization Commission plans (H.R. 4022, 4023, and 4024). Democrats will also bring up H.R. 4780, a bill to reject all of these privatization plans. Reps. Gephardt, Pelosi, Rangel, Matsui, and Thurman are original cosponsors.

“The American people deserve to hear the details of these privatization plans before the election. It is unfortunate that the only way we can have an open debate on these plans is through a discharge petition. But since House Republicans refuse to bring up their own legislation, it is the only way forward,” said Matsui. “Each of these privatization bills – the Shaw plan, the Armey plan, and the three Bush plans – will undermine the guarantee of Social Security’s defined benefits, which have helped to keep millions of Americans out of poverty for more than 60 years. But if Republicans really believe one of these plans is a credible solution, they should show the American people where they stand. It’s time to take a stand on privatization.”

Each of the President’s Commission’s plans drains the trust funds by more than \$1 trillion over the next ten years. Plan 2 cuts benefits by up to 46 percent. Plan 3 cuts benefits by 30 percent and raises the retirement age. The Shaw plan is essentially an arbitrage scheme that costs \$8 trillion over 30 years, and the Armey plan costs a staggering \$20.4 trillion, plus an additional \$21.3 trillion in borrowing over the same period.

“Democrats are prepared to take a stand on the issue of Social Security privatization. We have looked at these proposals, and we know they will not work. Proponents of privatization owe it to the American people to explain these plans now. Republicans have recently launched an effort to distance themselves from the term ‘privatization.’ Instead of semantic sleight-of-hand, here is a chance for them to make their stance on the policy clear. We urge Republicans to bring these bills to the floor for a vote as soon as possible.”

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